

# REQUEST FOR PURCHASE IN EXCESS OF \$20,000/CHANGE ORDER



**To:** MAYOR AND CITY COUNCIL

**Agenda Item #:** IV. K.

**From:** Chad A. Millner, PE, Director of Engineering

**The Recommended Bid is**

☒ Within Budget

☐ Not Within Budget

**Date:** March 3, 2015

**Subject:** Request for Purchase - Award of Bid - Contract ENG 15-3 Arden Park D and 54<sup>th</sup> Street Project

**Date Bid Opened or Quote Received:**  
February 24, 2015

**Bid or Expiration Date:**  
April 24, 2015 (Schedule A+B)  
June 2, 2015 (Alternate 2)

**Company:**  
Northwest Asphalt, Inc.

Palda and Sons, Inc.  
Meyer Contracting, Inc.

**Amount of Quote or Bid:**  
\$ 8,406,091.70 (Schedule A+B+Alternate 1)  
\$ 8,421,438.95 (Schedule A+B+Alternate 2)  
\$ 8,504,962.17 (same for both alternates)  
\$10,130,820.75 (same for both alternates)

**Recommended Quote or Bid:**  
Northwest Asphalt, Inc.

\$7,666,279.35 (Schedule A+B)

## **General Information:**

City staff initiated this project. This project implements principles of the Living Streets Policy and draft Living Streets Plan. It continues our change of thinking about the use of our streets from primarily auto-centric to the incorporation of pedestrian-centric elements and what is required for a balanced, multi-modal transportation system.

Please recall we previously solicited bids on May 13, 2014 for the 54<sup>th</sup> Street portion of this project. We received one bid that was 60% higher than our estimate. We rejected that bid and delayed the project one year to be combined with the Arden Park D Neighborhood project in the hopes of receiving better bids. The bids we received are better.

The 54<sup>th</sup> Street project involves reconstruction of the roadways including bituminous pavement and concrete curb and gutter. A sidewalk is planned for the north side of 54<sup>th</sup> Street adjacent to the concrete curb and gutter. Roadway widths vary from 26-ft to 38-ft with the continued use of advisory bike lanes east of Minnehaha Creek. The Minnehaha Creek Bridge is also being replaced. The project also includes upgrading existing utility infrastructure systems including storm sewer, water, sanitary sewer, and upgrading the cobra-head lights to decorative lights.

The Arden Park D portion of the project involves reconstruction of the roadways including bituminous pavement and concrete curb and gutter. Sidewalks are planned for Arden Avenue, West 52<sup>nd</sup> Street, and Minnehaha Boulevard adjacent to a 24-ft curb-to-curb street width. All the other roadways are 27-ft wide, our City standard. Parking will be restricted to one side of all the roadways. The project also includes

upgrading existing utility infrastructure systems including storm sewer, water, sanitary sewer, and City owned decorative lights.

Please recall at the Aug. 4, 2014 City Council meeting, the council approved Resolution No. 2014-85 authorizing staff to request financial assistance from the State of Minnesota Transportation Fund (bridge bond) program for the 54<sup>th</sup> Street bridge over Minnehaha Creek. This program has been funded by the state legislature in the past and we continue to receive positive feedback that it will be funded again this year; however, it is likely a decision will not be made until the end of the legislative session in May.

To be eligible for funding, we need to delay the award of the bridge portion of the project until June. Because we anticipated the delay, we included alternate bid schedules and award dates to account for the delay; however, the bids received did not show a significant difference in the cost to delay the award of the bridge until June.

The following tables compare our estimated costs and assessments at the public improvement hearings to the bids we received yesterday.

54<sup>th</sup> Street Bid Summary

<b>Award Option</b>	<b>Estimated Assessment per REU at Public Improvement Hearing</b>	<b>Estimated Assessment per REU w/ Bid Prices</b>	<b>Estimated Change of Assessment</b>	<b>Estimated % Change of Assessment</b>
Schedule B	\$6,400	\$5,220	-\$1,180	-18.4%
<b>Award Option</b>	<b>Estimated City Costs at Public Improvement Hearing (1)</b>	<b>Estimated City Costs w/ Bid Prices (1)</b>	<b>Estimated Change of City Costs</b>	<b>Estimated % Change of City Costs</b>
Schedule B + Alt 1	\$3,131,425	\$2,870,652	-\$260,773	-8.3%
Schedule B + Alt 2	\$3,131,425	\$2,886,000	-\$245,425	-7.8%

(1) 96% of this cost is anticipated to be funded by Municipal State Aid Funds.

Arden Park D Neighborhood Summary

<b>Award Option</b>	<b>Estimated Assessment per REU at Public Improvement Hearing</b>	<b>Estimated Assessment per REU w/ Bid Prices</b>	<b>Estimated Change of Assessment</b>	<b>Estimated % Change of Assessment</b>
Schedule A	\$14,400	\$14,100	-\$300	-2.0%
<b>Award Option</b>	<b>Estimated City Costs at Public Improvement Hearing</b>	<b>Estimated City Costs w/ Bid Prices</b>	<b>Estimated Change of City Costs</b>	<b>Estimated % Change of City Costs</b>
Schedule A	\$4,856,000	\$4,322,000	-\$534,000	-11.0%

This project will be funded by Municipal State Aid, grant funding from the Minnehaha Creek Watershed District, special assessments, PACS and respective utility funds. Construction costs could change based on construction related items such as soil corrections and turf restoration. The final special assessments will be calculated prior to the final assessment hearing in 2016. This project is listed in the 2015-2019 Capital Improvement Plan (CIP) under CIP #15-123 for \$2,530,000 and CIP #15-130 for \$7,033,850 for a total of \$9,563,850.

Recall our discussion about hydro-seeding last fall. We made changes to our hydro-seeding specification for 2015 that we feel will meet the needs of both the residents and the City. Staff will monitor how these specification changes are working and we will also continue to monitor hydro-seeding from last year's projects.

Staff recommends awarding Schedules A and B to Northwest Asphalt, Inc. and delaying the award of Alternate 2 until June in anticipation of receiving funding from the state for the 54<sup>th</sup> Street Minnehaha Creek Bridge.

**Attachment:**

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